GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5812
ANSWERED ON:02.05.2003
WORLD BANK AID
JAGMEET SINGH BRAR

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the World Bank has decided to provide funds worth $ 2 billion for various projects in India during the current year;

(b) if so, the terms and conditions of the grant of funds and the purposes for which it is proposed to be utilised; and

(c) the details of the projects to be implemented out of this fund, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (ANANDRAO V. ADSUL)

(a) According to the Country Assistance Strategy 2001-04 the World Bank has committed assistance worth US $ 1.9 billion for Bank Financial Year 2003-04 (July-June).

(b) & (c) India borrows from the World Bank under the Variable Spread Loans (VSL) for which repayment period is 20 years, interest rate is variable (1.71% as on 15.4.2003), with a front end fee of 1% and an effective Commitment Charge of 0.25% on undisbursed loan amount. Assistance from World Bank is utilised for various development projects in India that are posed to, appraised and approved by the Bank from time to time. The likely sectors to be considered for project approvals are social sector, infrastructure development, and rural development.